IN THE

Supreme Court of the United States

OCTOBER TERM, 1950.

No. 446.

CREST SPECIALTY (NOT INC.), A LIMITED PARTNERSHIP CONSISTING OF BEN B. MANASTER, ROSE MANASTER, CAROL RUTH MANASTER, AND SOL ELIOT,

Petitioner,

vs.

DAVID C. TRAGER, DOING BUSINESS AS TOPIC TOYS, AND EOINA NUDELMAN, AN INDIVIDUAL,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

PETITION FOR REHEARING.

To the Honorable Fred M. Vinson, Chief Justice of the United States, and the Associate Justices of the Supreme Court of the United States:

Respondents pray that this Court grant rehearing of its judgment of April 23, 1951, reversing the judgment of the United States Court of Appeals for the Seventh Circuit, and in support hereof show:

The majority opinion by Mr. Justice Jackson in the *Great A. & P. Tea Co.* v. *Supermarket Equipment Corp.*, 340 U. S. 147, did not change the existing law. Neither did

it establish a new standard of patentability requiring summary reversal of the judgment below. That opinion was no more than a reaffirmation of the rule of *Hailes* v. *Van Wormer*, 20 Wall. 353, 368, *Palmer* v. *Corning*, 156 U. S. 342, and *Grinnell Washing Mach. Co.* v. *Johnson Co.*, 247 U. S. 426, 432-4.

The Nudelman patent in the case at bar, unlike the Turnbull patent in the *A. & P.* case, is not for a combination wherein old elements have been brought into juxtaposition and there allowed each to work out its own effect—each performing its old and usual function. The Nudelman patent discloses a brand-new device embodying a brand-new concept. It was expressly held by the trial court (R. 118) that the Nudelman patent involved "a new principle and function, and achieves a beneficial result."

1. **The Court has wholly failed to give effect to the provisions of Rule 52(a) F. R. C. P. and to applicable decisions of this Court holding that findings of fact may not be set aside unless clearly erroneous.** Under the "two court" rule, the judgment of the Court of Appeals for the Seventh Circuit should have been affirmed.

This Court has repeatedly held that it will not undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional showing of error. *Falkner* v. *Gibbs*, 338 U. S. 267; *Graver Mfg. Co.* v. *Linde Co.*, 336 U. S. 271, 275; *Goodyear Co.* v. *Ray-O-Vac Co.*, 321 U. S. 275; *Williams Co.* v. *United Shoe Machinery Corp.*, 316 U. S. 364, 367; *Continental Paper Bag Co.* v. *Eastern Paper Bag Co.*, 210 U. S. 405, 416.

Although Mr. Justice Douglas in the concurring opinion in the *A. & P.* case has asserted the contrary,* it is our understanding of the majority opinion in that case that the

* "That rule, imported from other fields, never had a place in patent law. Having served its purpose in *Graver Mfg. Co.* v. *Linde Co.*, it is now in substance rejected."

"two court" rule has not been rejected. *Mr. Justice Jackson expressly stated that no finding of fact as to invention was being set aside and that the defect found in the judgment was that a "standard of invention appears to have been used that is less exacting than that required where a combination is made up entirely of old components."*

Notwithstanding the assertions to the contrary of Mr. Justice Douglas in the concurring opinion in the *A. & P.* case, the questions of novelty and invention in patent cases are questions of fact and have always been so considered by this Court. *Bischoff* v. *Wethered*, 9 Wall. 812, 814-816; *Keyes* v. *Grant*, 118 U. S. 25, 35-36; *Haines* v. *McLaughlin*, 135 U. S. 584, 597-598; *Continental Paper Bag Co.* v. *Eastern Paper Bag Co.*, 210 U. S. 405, 416; *Thomson Spot Welder Co.* v. *Ford Motor Co.*, 265 U. S. 445, 447; *Williams Manufacturing Co.* v. *United Shoe Machinery Corp.*, 316 U. S. 364, 367; *Goodyear Co.* v. *Ray-O-Vac Co.*, 321 U. S. 275; *Falkner* v. *Gibbs*, 338 U. S. 267. On the other hand, *Mahn* v. *Harwood*, 112 U. S. 354, cited and relied upon by Mr. Justice Douglas for his thesis, had nothing whatever to do with the nature of specific findings relating to the statutory prerequisites to patentability (Respondents' Brief, pp. 49-50; cf. *Cohens* v. *Virginia*, 6 Wheat. 264, 399, 400).

The questions of validity in the case at bar were contingent upon resolving conflicting testimony (R. 191, Respondents' Brief, p. 48). Full and detailed findings of fact were made by the trial court upholding novelty, utility, and invention (F. F. 4-10, inc., 15, 16, 17, R. 111-113, 115-117). *Unlike the A. & P. case, explicit findings were made by the trial court to the effect that additional and different functions were produced by Nudelman's device* (F. F. 5, 6, R. 112). There is also an explicit finding that the "conception and production of a device like that * * * in the Nudelman patent * * * was beyond the skill of a mechanic,

and required the exercise of inventive genius" (F. F. 17, R. 117). These findings are overwhelmingly supported by the evidence, and there is no legal defect in the judgment. The factors entering into the standard of invention employed by the court below are those time-honored ones found, *inter alia*, in *Paramount Corp.* v. *American Tri-Ergon Corp.*, 294 U. S. 464, 474 (Respondents' Brief, pp. 37-38), and which were not rejected or overruled in the *A. & P.* case.

2. **The Court has failed to consider and decide the only issues squarely raised by the petition for certiorari, namely, whether Cuno Corp. v. Automatic Corp., 314 U. S. 84, established a higher or more exacting standard of invention, and whether the Court of Appeals for the Seventh Circuit had rejected the alleged "flash of creative genius test" of that case as charged.**

Counsel have always understood that cases are brought here on certiorari not because some of the justices have a *prima facie* impression that a decision below is erroneous or to provide an additional appellate review of a case, but rather to resolve questions having "importance far beyond the particular facts and parties involved."* The *per curiam* reversal in the case at bar wholly fails to resolve any issues raised by the petition.

If this Court had undertaken to settle the alleged matter of importance presented for decision by the petition for certiorari, it could have reached no other result than agreement with the court below, because—

(a) The *Cuno* case was no more than a reaffirmation of the classic test of *Hotchkiss* v. *Greenwood*, 11 How. 248, *i. e.*, that invention requires that "more ingenuity must be involved than the work of a mechanic skilled in the art" (Respondents' Brief, pp. 40-46);

* See, for example, the address of Mr. Chief Justice Vinson before the American Bar Association, September 7, 1949, quoted in part at page 98 of *Supreme Court Practice*, Stern & Gressman.

(b) The Court of Appeals for the Seventh Circuit quite properly refused to be stampeded into agreeing that a new "flash of genius test" was applicable in patent cases, and correctly held in the *Burnside* case (132 F. 2d 812) that nowhere in the patent statute "can be found any words which require or permit us to inquire into the quality of the mind or the activity of the mind of the inventor to determine the patentability of his products or processes" (Respondents' Brief, pp. 42-43); and

(c) This Court in effect accepted the reasoning of the *Burnside* case in *Sinclair Co.* v. *Interchemical Corp.*, 325 U. S. 327, 330, when Mr. Justice Jackson held that the test of invention, under the patent system, "is not concerned with the quality of the inventor's mind, but with the quality of his product" (Respondents' Brief, p. 44).

Furthermore, this Court should clarify the confused situation* now existing by virtue of Mr. Justice Douglas's

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* See comment in *Journal of the Patent Office Society* (Feb., 1951), Vol. 33, pp. 83, 87, 102, 148. Moreover, see *Journal of the Patent Office Society*, Vol. 33, p. 236, reporting the appearance on December 14, 1950, of the following in the German magazine *Aussenhandelsdienst* (Foreign Trade Service):

A Decision of the United States Supreme Court of Importance to German Exporters.

"In the future German exporters will run much less danger than before that their newly made improved articles will infringe American patents, as a result of a newly rendered decision of the United States Supreme Court. A decision of this Court rendered in appeal proceedings held that so-called gadgets, namely, technical improvements for domestic use and similar articles, are no longer patentable, contrary to the previous practice of the United States Patent Office. The Court referred to the American Constitution and declared that only such things are worthy of being patentable which 'promote the progress of science.'

"For the American business man this means that in the future, after having successfully attacked a patent, he will be able to import into the United States, many articles which heretofore could not have been imported for fear of patent infringement. American importers will be interested, in view of this new decision, in many articles which heretofore they rejected for fear of patent involvement."

concurring opinion in the *A. & P.* case, wherein he contributed as the test of invention, requirements that the patent "serve the ends of science," "push back the frontiers of chemistry, physics, and the like," "make a distinctive contribution to scientific knowledge," and "be of such quality and distinction that masters of the scientific field in which it falls will recognize it as an advance." That view ignores the fact that Article I, Sec. 8, of the Constitution expressly authorizes patents for improvements in the "useful arts" as well as "science."* Useful arts are coordinate and hence of equal importance with science. Moreover, the quotation made by Mr. Justice Douglas from *Atlantic Works* v. *Brady*, 107 U. S. 192, 200, does not support his test. When Mr. Justice Bradley's opinion is read in context, it appears that he was not excluding improvements in the "useful arts." Thus he said (107 U. S. 200), just preceding the matter quoted by Mr. Justice Douglas:

> "The design of the patent laws is to reward those who make some substantial discovery or invention, which adds to our knowledge and *makes a step in advance in the useful arts.* Such inventors are worthy of all favor."

The Nudelman patented device, albeit a very simple one, did make a step in advance in the useful arts. Has it been held invalid merely because it is simple and not of a scientific character? If so, this is the result of a mistaken theory of the constitutional purpose of patents, and Mr. Justice Douglas's concurring opinion in the *A. & P.* case holding that "gadgets" (presumably simple or non-scientific devices) are not patentable should be disapproved. It constitutes an expression which is diametrically opposed to the

* "Science" was not even mentioned in the first patent law, *i. e.*, the Act of 1790, 1 Stat. 109. It was entitled "An act to promote the progress of useful arts." This is true also of most of the subsequent enactments, including the first comprehensive patent act of 1836, 5 Stat. 117.

classic test of invention of the *Hotchkiss* case, which was reaffirmed by this Court in the *Cuno* case. In effect, it limits the application of the constitutional provision regarding inventions and the statutes which have been in force for over 150 years.

We respectfully submit that the courts are powerless to invalidate patents upon "gadgets" on any *de minimis* basis. If an improvement advances the useful arts, *i. e.*, provides a benefit to society on the *level of living*, and the other prerequisites to patentability, namely, novelty and invention are present, the patent therefor is valid and should be enforced, for otherwise the "public faith" which has been pledged to the inventor (*Grant* v. *Raymond*, 6 Pet. 218, 242), is being violated. An inventor who, following the patent statutes, has disclosed his invention to the public is entitled to "insist upon all the advantages and benefits which the statute promises to him" (*Paper Bag Patent* case, 210 U. S. 405, 424).

In the report of the National Patent Planning Commission appointed by President Roosevelt (Executive Order No. 8977, Dec. 12, 1941) to conduct a comprehensive survey and study of the American patent system, it was said, *inter alia* (H. R. Doc. No. 239, 78th Cong., 1st Sess. 1):

> "The strongest industrial nations have the most effective patent systems and after careful study, the Commission has reached the conclusion that *the American system is the best in the world.*"

Simple mechanical devices have helped to make America the great industrial nation which it is, and simplicity has always been one of the primary virtues which in mechanical devices made them economically useful and of outstanding merit and therefore deserving of patent protection. *Loom Co.* v. *Higgins*, 105 U. S. 580, 591; *Potts* v. *Creager*, 155 U. S. 597, 608; *Expanded Metal Co.* v. *Bradford*, 214 U. S.

366, 381; *Diamond Rubber Co.* v. *Consolidated Rubber Co.*, 220 U. S. 428, 435.

If simple improvements are beyond the scope of our patent system, then the foregoing and such cases as *The Barbed Wire Patent Case*, 143 U. S. 275; *Krementz* v. *The S. Cottle Company*, 148 U. S. 556—a collar button; and *Sharp* v. *Stamping Co.*, 103 U. S. 250—a steak broiler; not to mention a legion of others, were incorrectly decided. And if the patent laws now need revamping or change to exclude patents upon simple but nevertheless inventive improvements—if patents for simple devices in the "useful arts" are to be barred as a matter of law notwithstanding the presence, under traditional tests, of invention—is that not the business of Congress and not of the courts?

Conclusion.

Four judges below (Kerner, Duffy, Lindley, and Igoe) concurred in correctly finding the facts. They did not apply improper rules of law to those facts, and their ruling of validity is not flagrantly and palpably erroneous, requiring summary reversal—not even in the light of the *A. & P.* case decided after the judgment below. Under the "two court" rule, the judgment below should have been affirmed.

A rehearing in this case should be granted.

Respectfully submitted,

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CERTIFICATE OF COUNSEL.

The undersigned hereby certifies that the foregoing petition for rehearing is presented in good faith and not for delay.

SIDNEY NEUMAN.

FILED
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CHARLES ELMORE

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PETITIONER'S BRIEF IN OPPOSITION TO RESPONDENTS' PETITION FOR REHEARING.

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